

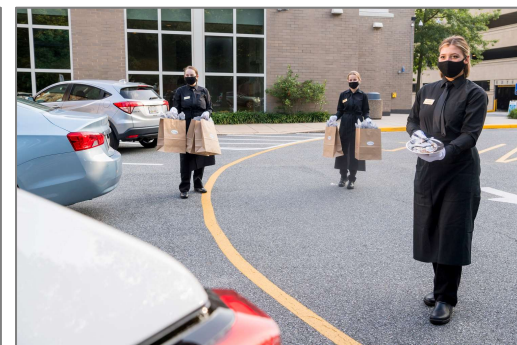
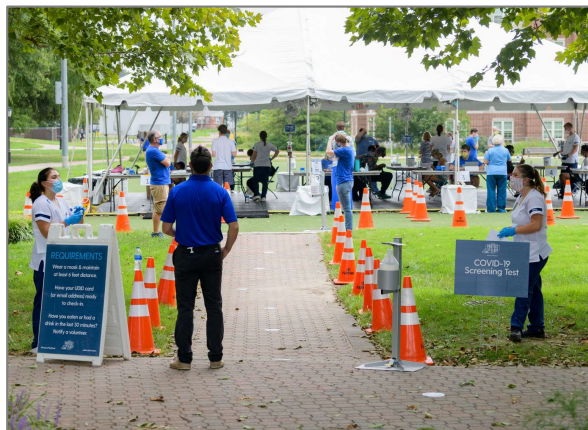
Delaware Office of Management & Budget

President Dennis Assanis

November 10, 2020



Putting Health and Safety First



FY22 Operating & Capital Appropriations

UD's FY21 financial situation

- Deficit of \$228M to \$288M
- Cost-cutting measures, support from endowment, personnel actions

FY22 State Operating Appropriation Request

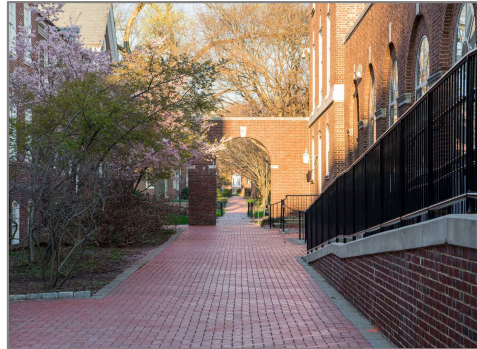
- \$127.4M
- Only increase is \$2.25M for Delawarean scholarships

FY22 State Capital Appropriation Request

- \$10M for maintenance projects in laboratory buildings



FY20 — Pivoting to Protect the Community



Spring 2020

- Suspension of classes
- Closing of residence halls
- Extension of spring break
- All courses online for remainder of spring semester
- Cancellations and postponements

Result: \$20M operating deficit

- Covered by drawing on endowment portfolio

FY21 Original Projection (July 1, 2020)

FY20 Year-end operating actual/projected deficit	\$49M
0% tuition rate increase	\$22M
First-year enrollment decline — 3,700 actual vs. 4,450 target	\$13M
Increased financial aid	\$18M
Operating gift and interest income decline	\$20M
F&A decline, reduced sponsored activity	\$13M
Increased COVID-19 expense	\$10M
International fee revenue decline	\$8M
Events and conferences revenue decline	\$6M
Investment in online conversion and support	\$6M
State appropriation decline	\$3M
FY21 Operating budget projection as of 7/1/2020 (unmitigated deficit)	\$168M

FY21 Budget Mitigation

\$86M already mitigated through actions taken earlier this year

- University-wide salary & hiring freeze
- Salary cut for senior administrators
- Spending reductions throughout UD — Supplies, contracts, equipment, travel, deferred maintenance backlog
- Reductions in part-time workforce

\$82M covered by endowment portfolio

- Total \$102M (>10% of value) in FY2019-20 and FY2020-21

Fall 2020 — A “De-Densified” Campus

Fall 2020 (vs. Fall 2019)

Undergraduate	17,710	-2.3%
<i>Delaware residents</i>	<i>6,560</i>	<i>-0.4%</i>
<i>Non-residents</i>	<i>11,150</i>	<i>-3.5%</i>
Associate in Arts	908	-0.4%

- Creation of on-campus testing/screening program
- 9 out of 10 courses delivered online
- ~1,290 students in residence halls
- 90 beds for isolation; 250 beds for quarantine
- No fall athletic competition



FY21 Budget Impact of De-Densified Fall

Enrollment decline, continuing students	\$10M
Increased financial aid	\$10M
Loss of study abroad & World Scholars' tuition	\$6M
Fall sports delay	\$5.4M
Winter and/or summer, 6 "free" credits	\$5M
Comprehensive and recreation fee reduced revenue – 15% discount for Fall	\$2M
No parking fees for on campus	\$4.2M
Residence halls at less than 20% capacity	\$63.3M
<u>COST MITIGATION</u>	
Auxiliary expense reductions	-\$32M
Reduced student aid related to residence halls at less than 20% capacity	-\$4.2M
Operating gift projection increase	-\$6.5M
No state appropriation decline	-\$3.1M
Additional deficit due to fall de-densification	<u>\$60M</u>

Planning for Spring Semester 2021

Increased campus density

- Maximize face-to-face academic experiences consistent with safety guidelines
 - Continue to fine tune a blended mix of face-to-face and online content
- About 60% occupancy in residence halls
 - Prioritize freshmen and senior occupancy and create meaningful opportunities for in class and/or project experiences
- Classes begin Feb. 15, a week later than originally scheduled; no spring break
- No study abroad
- Return of athletics — Competitions with shortened schedules and limited travel

FY21 Operating Deficit & Mitigation Measures

FY21 Operating budget projection as of 7/1/2020 (unmitigated deficit)	\$168M
Additional deficit due to fall de-densification	<u>\$60M</u>
<i>Possible additional deficit due to spring de-densification</i>	<u>\$60M</u>
FY21 Operating budget, unmitigated deficit range	\$228M - \$288M

- Reductions in discretionary spending
- Drawing on UD's endowment
- Voluntary retirement incentive
 - 134 staff members
- 5% salary reduction for non-union employees
- Voluntary schedule reductions
- Personnel reductions
 - 122 staff members

FY22 State Operating Appropriation

Request

- \$127.4M
- \$0 increase in base budget
- Only increase is \$2.25M for Delawarean scholarships



First State Promise Program

- **Request:** \$2.25M in FY22
- When fully implemented — Would cover full tuition and mandatory fees for Delaware students whose families earn less than \$75,000 a year
- Laddered support for housing and dining costs for students with greatest financial need



Impact of a 5% Reduction in Appropriation

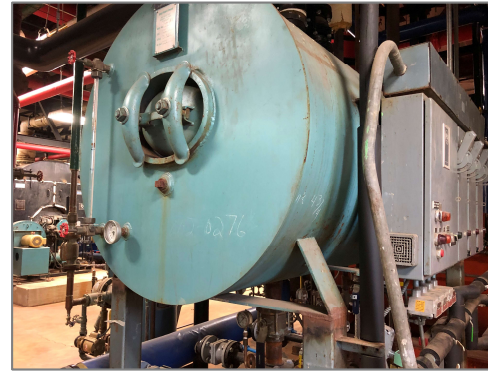


- Negate the FY20 increase in Delawarean scholarships
 - Fewer students receive aid or students receive lower aid
- Defund 58 faculty positions
 - Higher student-faculty ratios, risking quality and student success
 - Fund positions through other means, incl. tuition increase
- Reduce support for students and faculty
 - Hinder research, teaching, community programs
 - Fewer seats for nursing, engineering, scientists, etc.

FY22 State Capital Appropriation

Request

- \$10M, equal to FY21
- Maintenance in academic buildings with teaching/research labs
- Enable UD investment in other high-impact, job-creating projects (biopharma, fin-tech, advanced manufacturing, etc.)





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